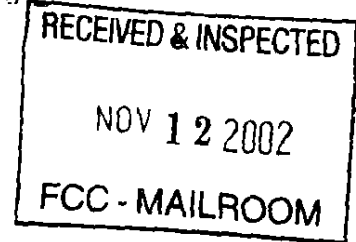


Rural Wisconsin Health Cooperative

DOCKET FILE COPY ORIGINAL



Federal Communications Commission
Office of the Secretary
Attention: Rural Health Care Program Appeal
9300 East Hampton Drive
Capitol Heights, MD 20743

November 10th, 2002

Docket nos. 96-45 and 97-21

Re: In the Matter of: Request for Review by Rural Wisconsin Health Cooperative of Decision of Universal Service Administrator: Rescindment Of Eligibility of Universal Service Support For Funding Years 2001 and 2002 for Rural Wisconsin Health Cooperative, HCP# 12646.

Dear Secretary Dortch:

Please accept this letter as an appeal to the Federal Communications Commission (FCC) of the decision by the Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) to rescind their authorization of the Rural Wisconsin Health Cooperative's (RWHC) eligibility for Universal Service Support for Funding Years 2001 and 2002.¹

RHCD staff told RWHC that it should appeal directly to the FCC as RHCD believes that RWHC's applications involve a policy issue which RHCD is not in a position to resolve.

RHCD's September 19th letter rescinding their earlier eligibility determination, states that RWHC does not fall within an eligible category to benefit from Universal Service Support; RHCD lists what they accept as eligible provider types. The RHCD list includes the first six of seven categories authorized in FCC 97-157 (rel. May 8, 1997), Section 653. But without explanation, RHCD omits the seventh category of "consortia of health care providers." RWHC is a consortia of health care providers.²

¹ RHCD's letters initially approving RWHC eligibility for Funding Years 2001 and 2002 and their letter rescinding both of these letters, dated September 19th, 2002, are attached as Exhibits A, B and C, respectively. Please note that RHCD's September 19th reference to "Funding Years 2000 and 2001" appears to be a typographical error.

² RWHC Articles of Incorporation and a list of Members and Member locations are, attached as Exhibit D and E, respectively.

No. of Copies rec'd 0
List ABCDE

Section 653 provides:

The ‘Definitions’ provision of section 254 states that: For purposes of this subsection (47 U.S.C. § 254(h)(5)(B)). . . [t]he term ‘healthcare provider’ means -- (i) post-secondary educational institutions offering health care instruction, teaching hospitals, and medical schools; (ii) community health centers or health centers providing health care to migrants; (iii) local health departments or agencies; (iv) community mental health centers; (v) not-for-profit hospitals; (vi) rural health clinics; and **(vii) consortia of health care providers consisting of one or more entities described in clause (i) through (vi).**

Section 654 also states:

In response to commenters who raised the issue of the definition of the term ‘healthcare provider,’ the Joint Board recommended that the Commission attempt no further clarification of the term. It found that section 254(h)(5)(B) adequately describes those entities Congress intended to be eligible for universal service support.

This position was confirmed by the FCC in FCC 02-122 (rel. April 19, 2002). In the Notice of Proposed Rulemaking, the FCC stated “[i]n this Notice we again affirm that eligible health care providers are limited to the **seven** categories enumerated in the statutory definition of ‘health care provider’.” FCC 02-122, Section 16 (emphasis added).

Consequently, RWHC objects to RHCD’s narrowing the definition of “health care provider” to exclude consortia entities. “Consortia” of eligible entities as well as another eligible entity — “post-secondary educational institutions offering health care instruction,” are not typically referred to as “health care providers,” but both Congress and the FCC are very explicit that for purposes of the Universal Service Support, they are as much a “health care provider” as any other eligible entity.

RWHC asserts that as a consortia of health care providers consisting of not-for-profit hospitals (category“(v)”), it is an eligible “health care provider” for purposes of 47 U.S.C. § 254(h)(5)(B) as reiterated in FCC 97-157 (rel. May 8, 1997), Section 653 and FCC 02122 (rel. April 19, 2002), Section 6. See also, 47 CFR § 54.601(a).

RWHC is a consortium of twenty-eight not-for-profit Wisconsin hospitals. RWHC, incorporated in Wisconsin as a cooperative, is wholly owned and **operated by these** hospitals. Twenty-five are located outside of a Metropolitan Statistical Area and are in their own right eligible for Universal Services Support. The remaining three hospitals are considered rural hospitals by Wisconsin law but are located within Metropolitan Statistical Areas. The RWHC consortium office is located in Sauk County, Wisconsin, outside of a Metropolitan Statistical Area.

Subsequent to the 28-day posting period for Funding Year 2002, RWHC was notified by phone that RHCD was reversing its original positions and that RWHC was not now eligible to proceed with the process. In its letter of denial, RHCD has indicated that RWHC is not eligible because it is **not** a “not-for-profit hospital.” As one of the oldest and best known rural health consortia in the country, RWHC has never claimed it *is* a “not-for-profit hospital.”

In all of RWHC’s numerous conversations with RHCD over the last two years and in its completed Form 465, RWHC consistently indicated that it was and is a consortium, a consortium comprised of “not-for-profit hospitals.” RWHC indicated on its Form 465 (item #6) for Year 4 that it is a “consortium” and based on the explicit verbal direction of RHCD Customer Service Support Staff, it checked “not-for-profit hospital” on Form **465** (item #31) to indicate its consortium type but also stated in bold print on Form 465 (item #37) that “RWHC is a consortium.”³

RWHC embodies the consortia concept and purpose as defined by Webster’s Ninth New Collegiate Dictionary’s first definition of a “consortium” — “an agreement, combination, or group (as of companies) formed to undertake an enterprise beyond the resources of any one member.” In part based on assurances by RHCD of RWHC’s eligibility for Universal Service Support, RWHC has made substantial investments to develop a Wide Area Network for the benefit of the consortium’s not-for-profit hospital members.

In taking this approach, RWHC is following the advice of many experts, including the FCC’s Schools and Libraries Corporation (SLC). The following is from the SLC web site:

Consortia are not required but are encouraged. Consortia advantages are:

- Aggregating demand attracts competitors and allows negotiating lower prices.
- Consolidating services achieves improved efficiency.
- Sharing both network infrastructure and knowledge results in lower costs for all.
- Sharing facilities reduces costs.
- Sharing technical staff reduces costs.

To gain all of these advantages, an entity is required and RWHC is that entity for the not-for-profit hospitals that own and operate RWHC. A recent article by a major consulting firm serving rural hospitals strongly supports the **FCC’s** decision to encourage rural consortia.⁴

³ Form 465 is attached as Exhibit F

⁴ The Eide Bailly article is attached as Exhibit G.

While RHCD has told RWHC that the FCC does not allow the RHCD to fund “consortia” they did allow that RWHC could collect and submit in one “batch,” applications from individual eligible hospital members. But this limited approach does not recognize RWHC as a “health care provider” or “eligible entity” in its own right.

RWHC’s application focuses on eligible telecommunications services relating to a recently developed Wide Area Network that has begun to provide a host of shared applications and services to RWHC not-for-profit hospitals. RWHC is serving as the network administrator and data center, incurring the cost of two T1 lines for which it seeks USF program support. As part of an array of services, RWHC not-for-profit hospitals participating in the Wide Area Network also access the Internet through these T1 lines, after having gone through the “firewall” housed in the RWHC Data Center.⁵ All the shared expenses are borne by the participating not-for-profit hospitals.

RWHC is partnering with an established, regional telecommunications carrier on the wide area network: Norlight Telecommunications. Independent consultants and Norlight engineers spent an entire year designing and refining the network configuration for the rural hospitals so that it would require a minimal number of T1 connections and be as efficient as possible. It is largely support for the two T1 connections between RWHC and Norlight that is effected by the RHCD denial.

Norlight has experience with the USF program and has provided guidance to Wisconsin rural not-for-profit hospitals with their funding applications for this project—bringing a great deal of much-needed publicity to the program. The enclosed promotional announcement speaks to the enhanced performance and cost savings a Wide Area Network brings to rural providers. Needless to say, they are convinced that RWHC is a critical partner in the project; with the project’s budget based on support from USF.⁶

RWHC is aware that most eligible rural providers have not taken advantage of Universal Service Support and that a substantial portion of the funds allocated for them go unused each year. RWHC strongly believes that consortia of rural providers working together (as envisioned by the FCC in their comments about schools and libraries) is the future for rural health care providers. It is the best way for RHCD and USAC to bring the advantages of telemedicine & telehealth to rural America. We are asking for the opportunity to help RHCD fulfill that mission. In any event, we remain committed to working with the RHCD to further their outreach to rural providers.⁷

⁵ A copy of Norlight’s promotional announcement is attached as Exhibit H.

⁶ *ibid.*

⁷ Letters of support for this appeal from the Wisconsin Hospital Association, the Wisconsin Federation of Cooperatives, the National Rural Health Association and the National Cooperative Business Association are attached as Exhibits I, J, K and L, respectively.

In summary, RWHC is a consortia of health care providers consisting of not-for-profit hospitals (category “(v)”), that is an eligible “health care provider” for purposes of 47 U.S.C. § 254(h)(5)(B) as reiterated in FCC 97-157 (rel. May 8, 1997), Section 653 and FCC 02-122 (rel. April 19, 2002), Section 6. See also, 47 CFR § 54.601(a). Accordingly, RWHC requests that the FCC rescind the September 19th letter and find that RWHC is eligible for Funding Years 2001 and 2002.

We would appreciate a prompt response and thank you for your thoughtful deliberations. In any event, we remain committed to working with the FCC and RHCD to further outreach to rural providers and consortia of rural providers.

Sincerely,

A handwritten signature in black ink that reads "Tim Size". The signature is written in a cursive, slightly slanted style.

Tim Size
Executive Director

cc: RWHC Hospitals
Wisconsin Hospital Association
Wisconsin Federation of Cooperatives
National Rural Health Association
National Cooperative Business Association
Rural Health Care Division (RHCD) of the
Universal Service Administrative Company



Rural Health Care Division
80 S. Jefferson
Whippany, NJ 07881

www.rhc.universalservice.org
Phone 1-800-229-5476

October 30, 2001

Larry Clifford
Rural Wisconsin Health Cooperative
880 Independence Lane
Sauk City, WI 53583

RE: Funding Year 2001 Service Request for **Rural Wisconsin Health Cooperative**

Dear Applicant:

The Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) reviewed the Form 465 you submitted, and determined that you are eligible to participate in this program. Your request for service was posted on the RHCD Web Site on **October 30, 2001**. Completing Form 465 is the **first** step in applying for universal service support. A complete overview of the process is available on the RHCD Web Site (www.rhc.universalservice.org).

All requests for "new service" support must comply with the competitive bidding requirement, which requires Form 465 be posted for bids on the RHCD Web Site for 28 days before reaching an agreement to purchase services. Services purchased under an existing written contract, signed and dated **before** July 11, 1997, are considered "existing service," and are exempt from the posting requirement.

RHCD will post **all** Form 465s. Unless you are exempt, you must wait 28 days before determining your most cost-effective offer and selecting a telecommunications carrier.

Ideally, telecommunications carriers will contact you during the 28-day posting period, to bid on rates and conditions of providing your requested service(s). It is not necessary to wait for a bid. Proactively contact eligible telecommunications carriers, **so** you are ready to complete Form 466 (and Form 468) as soon as the 28-day posting period ends.

Next Steps

- Complete Form 466. Refer to the enclosed Form 466 Instructions to complete Form 466.
- Instruct your telecommunications carrier to complete Form 468. Form 468 verifies

the type of service and determines the amount of support.

- If your service agreement is based on a written contract, you must enclose a copy of the contract with Form 466. If your agreement is based on a tariff, you must provide the tariff number and name of the tariff issuing entity in the state.
- Once Forms 466 and 468 are complete, package them with a copy of the contract (s), or documentation of the tariff number and issuer. Mail the package(s) to the RHCD. Failure to include all documents will delay processing of your application.
- The last step in the application process is to complete Form 467. It verifies that you are receiving the approved telecommunications service(s). Complete this form only after you receive a Funding Commitment Letter from RHCD.
- **Note:** If you should decide to change or upgrade to a new service after you submit Form 467, you must submit a new Form 465 and post for another 28 days to allow telecommunications carriers to bid on your new request.

If you have questions or concerns, please contact the Customer Service Support Center at 1-800-229-5476. Hours of operation are 8AM to 8PM, Eastern Time, Monday through Friday.

Sincerely,

USAC. RHCD



Rural Health Care Division
80 S. Jefferson
Whippany, NJ 07981

rm.mc.univsnalrervise.org
Phone 1-800-229-5476

February 21, 2002

Larry Clifford
Rural Wisconsin Health Cooperative
880 Independence Lane
Sauk City, WI 53583

RE: Funding Year 2002 Service Request for **Rural Wisconsin Health Cooperative**

Dear Applicant:

The Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) reviewed the Form 465 you submitted, and determined that you are eligible to participate in this program. Your request for service was posted on the RHCD Web Site on **February 20, 2002**. Completing Form 465 is the **first** step in applying for universal service support. A complete overview of the process is available on the RHCD Web Site (www.rhc.universalservice.org).

All requests for "new service" support must comply with the competitive bidding requirement, which requires Form 465 be posted for bids on the RHCD Web Site for 28 days before reaching an agreement to purchase services. Services purchased under an existing written contract, signed and dated **before** July 11, 1997, are considered "existing service," and are exempt from the posting requirement.

RHCD will post all Form 465s. Unless you are exempt, you must wait 28 days before determining your most cost-effective offer and selecting a telecommunications carrier.

Ideally, telecommunications carriers will contact you during the 28-day posting period, to bid on rates and conditions of providing your requested service(s). *It is not necessary to wait for a bid.* Proactively contact eligible telecommunications carriers, so you are ready to complete Form 466 (and Form 468) as soon as the 28-day posting period ends.

Next Steps

- Complete Form 466. Refer to the enclosed Form 466 Instructions **to** complete Form 466
- Instruct your telecommunications carrier *to* complete Form 468. Form 468 verifies

the type of service and determines the amount of support.

- If your service agreement is based on a written contract, you must enclose a copy of the contract with Form 466. If your agreement **is** based on a tariff, you must provide the tariff number and name of the tariff issuing entity in the state.
- Once Forms 466 and 468 are complete, package them with **a copy of** the contract **(s)**, or documentation of the tariff number and issuer. Mail the package(s) to the RHCD. Failure to include all documents will delay processing of your application
- The last step in the application process **is** to complete Form 467. It verifies that you are receiving the approved telecommunications service(s). Complete this form only after you receive a Funding Commitment Letter from RHCD.
- Note: If you should decide to change or upgrade to a new service after you submit Form 467, you must submit a new Form 465 and post for another 28 days to allow telecommunications carriers to bid on your new request.

If you have questions or concerns, please contact the Customer Service Support Center at 1-800-229-5476. Hours of operation are 8AM to 8PM, Eastern Time, Monday through Friday.

Sincerely,

USAC, RHCD



Universal Service Administrative Company

Rural Health Care Division

80 South Jefferson Road
Whippany, NJ 07981
Phone: 1-800-229-5476

September 19, 2002

Larry Clifford
Rural Wisconsin Health Cooperative
880 Independence Lane
Sauk City, Wisconsin 53583

RE: Funding Year 2000 and 2001 RHCD Applications for Universal Service Support for HCP#
12646 Rural Wisconsin Health Cooperative

Dear Applicant:

Thank you for your interest in the Universal Service Administrative Company (USAC). Rural Health Care Division (RHCD) support mechanism. In order to receive support under this program, a health care provider (HCP) must meet two threshold criteria: First, a health care provider must be located in a rural area in order to be eligible for the RHCD support mechanism. Second, only public or non-profit health care providers that fall within one of the following categories may benefit from universal service support:

- Post-secondary educational institutions offering health care instruction, including teaching hospitals or medical schools
- Community health centers or health centers providing health care to migrants
- Local health departments or agencies
- Community mental health centers
- Not-for-profit hospitals
- Rural health clinics

(See In re Federal-State Joint Board on Universal Service, *Report and Order*, CC Docket 96-45, FCC 97-157 (rel. May 8, 1997) Section 653). Health care providers that do not fall into one of these categories are not eligible to benefit from universal service support. After further review, the RHCD has determined that the applicant listed above is not one of these provider types. In particular, as a result of conversations with your staff in which Rural Wisconsin Health Cooperative was described as a consortium of hospitals, we have concluded that it is not a "not-for-profit hospital," as represented on the Form 465 submitted to the RHCD.

In view of these facts, we have concluded that your Form 465 was erroneously determined eligible for posting on our website, and we must now rescind our prior letters authorizing you to proceed with the application process.

- **The RHCD recognizes that you may disagree with our decision. If you wish to file an appeal, your appeal must be *received* no later than 60 days after this letter was issued, starting with the date at the top of the letter. There are two appeal options:**
- A. Write an RHCD Letter of Appeal explaining why you disagree with the Funding Commitment Letter and what outcome you request. **OR:**
- B. Write an appeal directly to the Federal Communications Commission (FCC) — skipping Option **A**— explaining why you disagree with the RHCD's decisions. The FCC rules governing the appeals process (Part 54 of Title 47 of the Code of Federal Regulations 54.719 – 54.725) are available on the RHCD web site (www.rhc.universalservice.org). While you may write directly to the FCC without first presenting your appeal to the RHCD, you are encouraged to write first to the RHCD so that we have an opportunity to review your appeal and grant it, if appropriate.

Please follow these guidelines when submitting a letter of appeal to the RHCD:

1. Write and mail your letter to:

Letter of Appeal
Rural Health Care Division / USAC
2120 L Street N. W., Suite 600
Washington, D.C. 20037
Phone: (800) 229-5476

2. Appeals may be submitted to the RHCD electronically, by fax or by e-mail. E-mail submissions must be submitted to rhc-admin@universalservice.org. The RHCD will automatically reply to incoming e-mails to confirm receipt. E-mails can be submitted in any commonly used word processing format. Appeals to the RHCD filed by fax must be faxed to 202-776-0080. Appeals submitted by e-mail will be considered filed on a business day if they are received at any time before 12:00 a.m. (midnight), Eastern Standard Time. Similarly, fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 a.m.
3. Please provide necessary contact information. List the name, address, telephone number, fax number, and e-mail address (if available) of the person who can most readily discuss this appeal with the RHCD.
4. Identify the rural HCP Name, HCP Number, and Funding Request Number(s) from this letter.

5. Explain the appeal to the RHCD. Please keep your letter brief and to the point. It must identify a problem and why it is being appealed. RHCD support decisions are made by applying non-discretionary program rules to information submitted by applicants, so a letter simply stating. "We appeal the amount of support" provides no information that could lead to a different decision. Please review the information submitted, and explain precisely what alternate decision you believe RHCD should have reached using that information, within program rules. Please provide documentation to support your appeal.
6. Unless you are filing the appeal via e-mail, you must attach a photocopy of the Funding Commitment Letter you are appealing.
7. The RHCD will review all letters of appeal and respond in writing within 45 days of receipt of the appeal. The response will either grant the appeal or will explain why the appeal was not granted.
8. If the rural HCP disagrees with the RHCD's response, it may file an appeal with the FCC within 60 days of the date the RHCD issued its decision in response to the rural HCP letter of appeal. The FCC address to which a rural HCP may direct its appeal is:

Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Documents sent by Federal Express or any other express mail should use the following address:

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

The FCC will no longer accept hand-delivered or messenger-delivered paper filings at its headquarters. They will be accepted only at the following address:

Federal Communications Commission
Office of the Secretary
236 Massachusetts Avenue, NE, Suite 110
Washington, DC 20002

For security purposes, hand-delivered or messenger-delivered filings will not be accepted for filing if they are enclosed in an envelope.

Appeals may also be submitted to the FCC electronically, by fax or e-mail. E-mail submissions must be submitted to CCBSecretary@fcc.gov. The FCC will automatically reply to incoming e-mails to confirm receipt. E-mails can be submitted in any commonly used word processing format. Appeals to the FCC filed by **fax** must be faxed to 202-418-0187. Appeals submitted by e-mail will be considered filed on a business day if they are received at any time before 12:00 a.m. (midnight), Eastern Standard Time. Similarly, fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 a.m.

Please be sure to indicate Docket Nos. 96-45 and 97-21 on all communications with the FCC. The appeal transmission must also provide the rural HCP name and HCP number from the letter(s) being appealed, plus necessary contact information, including the name, address, telephone number, fax number, and e-mail address (if available) of the person filing the appeal. Unless the appeal is by e-mail, please include a copy of the letter being appealed.

If you have any questions or need help, please call the Customer Service Support Center at 1-800-229-5476, Monday through Friday, 8am - 5pm, Eastern Time. Please have your HCP Number available as a reference.

Sincerely,

RHCD – IJSAC'

786497

Document Number

Restated Articles of Incorporation
for
Rural Wisconsin Health Cooperative
Document Title

000110

Exhibit

REGISTRAR'S OFFICE
SAUK COUNTY, WI
RECEIVED FOR RECORD

AT 8:30 O'CLOCK A M

ON Sept 27 20 02

Robert Linder
REGISTRAR

OK
17⁰²

Recording Area

Name and Return Address

David Swanson
Quarles & Brady LLP
411 E. Wisconsin Ave.
Milwaukee WI 53202-4497

Parcel Identification Number (PIN)

DFI/CORP/30
DOCUMENT
2/00

United States of America
State of Wisconsin
DEPARTMENT OF FINANCIAL INSTITUTIONS



Greetings:

I do hereby certify that the annexed copy has been compared with the document on file in the Corporation Section of the Division of Corporate & Consumer Services of this department, and that the same is a true copy thereof; and that I am the legal custodian of said document, and that this certification is in due form.



IN TESTIMONY WHEREOF, I have hereunto set
my hand and affixed the official seal of the
Department

DATE: September 25, 2002

BY: *Robert Linder*

Dave Duecker, Administrator
Department of Financial Institutions

THIS PAGE IS PART OF THIS LEGAL DOCUMENT - DO NOT REMOVE

This information must be completed by submitter: document title, name & return address, and PIN (if required). Other information such as the governing clauses, legal description, etc. may be placed on this first page of the document or may be placed on additional pages of the document. Note: Use of this cover page adds one page to your document and \$2.00 to the recording fee, Wisconsin Statutes, 59.517. WRDA 2/96

02 SEP 26 7, 0:03

SEP 25 2002

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
RURAL WISCONSIN HEALTH COOPERATIVE

DE
CLERK

These Amended and Restated Articles of Incorporation supersede and take the place of the heretofore existing Articles of Incorporation of Rural Wisconsin Health Cooperative originally filed **as** of June 26, 1979, and any amendments to or restatements thereof, all pursuant to the provisions of Chapter 185 of the Wisconsin Statutes. Pursuant to Section **185.54**, Wis. Stats., the undersigned President and Secretary of this cooperative execute the following Amended and Restated Articles of Incorporation:

Article 1. Name. The name of the cooperative is Rural Wisconsin Health Cooperative.

Article 2. Existence. The period of existence shall be perpetual.

Article 3. Purposes. The cooperative is organized and shall be operated exclusively for charitable, educational and scientific purposes under Section 501(c)(3) of the Internal Revenue Code of 1986, **as** amended (the "Code"). The cooperative shall, subject to the limitations contained in these Articles of Incorporation and Chapter 185, Wis. Stats., engage in any activities permitted for a cooperative hospital service organization that is exempt from federal income taxation under Section 501(e) of the Code. In these Articles, the term "Code" means the Internal Revenue Code of 1986, **as** amended, and references to provisions thereof **are** to such provisions **as** from time to time amended and to corresponding provisions of any future United States Internal Revenue Law.

Article 4. Nonstock. The cooperative is organized without capital stock

Article 5. Members. The cooperative shall have one class of voting members (the "Members"). The Members shall be exclusively organizations that (1) have been recognized by the Internal Revenue Service **as** exempt under Section 501(c)(3) of the Code or (2) are governmental units or instrumentalities, **as** defined under Section 501(e) of the Code. The Members' respective qualifications, rights, and method of acceptance shall be as further specified in the Bylaws. If any Member ceases at any time to be an organization described in Section 501(c)(3) of the Code or a governmental unit or **instrumentality**, such Member's membership in the cooperative shall automatically terminate. Membership in the cooperative in may not be transferred, either directly or indirectly, **to** any other organization except as provided in the Bylaws and subject to the requirements of these Articles of Incorporation.

Article 6. Board of Directors. The affairs of the cooperative shall be managed by its Board of Directors, which shall consist of such number of persons **as** shall be fixed by the Bylaws from time to time, but shall not be less than the number of directors required by Chapter 185, Wis. Stats, which at the time of execution of these Articles is three (3) so long as the cooperative has less than fifty (50) Members and five (5) if the cooperative has fifty (50) or more Members. The terms of office, qualifications and method of election of the directors shall be **as** specified in the Bylaws.

Article 7. Activities and Restrictions

Section 1. No dividends, liquidating dividends, or distributions shall be declared or paid by the cooperative to any private individual or officer or director of the cooperative.

Section 2. No substantial part of the activities of the cooperative shall consist of carrying on propaganda or otherwise attempting to influence legislation, unless by appropriate election a greater part is permitted without jeopardizing the cooperative's exemption under Code Section 501(e). The cooperative shall neither participate in, nor intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office, including the publishing or distribution of any statements.

Section 3. No part of the net earnings or net income of the cooperative shall inure to the benefit of any private individual or officer or director of the cooperative; provided, however, that such a person may receive reasonable compensation for personal services rendered, or reimbursement for reasonable expenses incurred, which are necessary to carrying out the exempt purposes of the cooperative.

Section 4. Notwithstanding any other provision of these Articles of Incorporation, no substantial part of the activities of the cooperative shall consist of carrying on any other activities not permitted to be carried on by a cooperative exempt from federal income tax under Code Section 501(e).

Section 5. Neither the cooperative nor any of its assets may be transferred or availed of, either directly or indirectly, to or by a transferee that is not either an organization exempt under Section 501(c)(3) of the Code or a governmental unit or instrumentality unless such transfer is in exchange for fair market value.

Section 6. The cooperative shall not merge with, dissolve into, or in any other manner convert into a for-profit entity.

Section 7. The cooperative shall not distribute any assets to any Member that for any reason ceases to be either an organization described in Section 501(c)(3) of the Code or a governmental unit or instrumentality, as defined in Section 501(e) of the Code.

Article 8. Amendment. These Articles of Incorporation may be amended by the Members of the cooperative by such vote as may at the time be required by Chapter 185 of the Wisconsin Statutes.

Article 9. Dissolution. In the event of the dissolution of the cooperative, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the cooperative, distribute all of the assets of the cooperative exclusively to the Members that are then either exempt under Section 501(c)(3) of the Code or are governmental units or instrumentalities, as defined under Section 501(e) of the Code, in proportion to their average patronage calculated over the preceding three fiscal years, or if no Members are then so qualified or if none are in existence, to one or more organizations then described in Code Sections

170(c)(2), 501(c)(3), 2055(a)(2) and 2522(a)(2) having purposes substantially similar to those of the cooperative (except that no private foundation as defined by Code Section 509(a) shall be a recipient) or to one or more units or agencies of federal, state or local government to be used exclusively for public purposes, as the Board of Directors shall determine. Any of such assets not so distributed shall be distributed to one or more of such organizations as determined by the Circuit Coun of the county in which the principal office of the cooperative is then located.

Article 10. Enforcement. The Members will expeditiously and vigorously enforce all of their rights in the cooperative and will pursue all legal and equitable remedies to protect their interests.

Article 11. Principal Office: Registered Office and Registered Agent. The mailing address of the principal office of the cooperative is 880 Independence Lane, P.O. Box 490, Sauk City, Wisconsin 53583. The street address of the registered office of the cooperative is 880 Independence Lane, Sauk City, Wisconsin 53583 and the registered agent at such address is Tim Size.

CERTIFICATION

Pursuant to Section 185.53(1), Wis. Stats., the undersigned officers of Rural Wisconsin Health Cooperative hereby certify that these Amended and Restated Articles of Incorporation were adopted in accordance with Chapter 185, Wis. Stats., as follows:

(a) The name of the cooperative is Rural Wisconsin Health Cooperative. Its principal office and registered agent are located in Sauk County, Wisconsin.

(b) These Amended and Restated Articles of Incorporation were adopted on September 6th, 2002.

(c) The cooperative has 28 Members.

(d) 14 Members voted for and 0 Members voted against the adoption of these Amended and Restated Articles of Incorporation.

Executed this 6th day of Sept, 2002

RURAL WISCONSIN HEALTH COOPERATIVE

This document was drafted by:

David C. Swanson
Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, Wisconsin 53202-4497

By: Bill Bruce
Bill Bruce, President

By: Michael Decker
Michael Decker, Secretary

STATE OF WISCONSIN
FILED
SEP 25 2002
DEPARTMENT OF
FINANCIAL INSTITUTIONS

RWHC Members

10/10/02

* Located within a Metropolitan Statistical Area but a rural hospital under Wisconsin law

Rural Hospital	Address	City	
St. Clare Hospital & Health Services	707 14th Street	Baraboo	
Berlin Memorial Hospital	225 Memorial Drive	Berlin	
Black River Memorial Hospital	711 W. Adams Street	Black River Falls	
Boscobel Area Health Care	205 Parker Street	Boscobel	
Columbus Community Hospital	1515 Park Avenue	Columbus	
Memorial Hospital of Lafayette Cty	800 Clay Street	Darlington	
Upland Hills Health	800 Compassion Way, P.O. Box 800	Dodgeville	
Memorial Community Hospital	313 Stoughton Road	Edgerton *	
Adams County Memorial Hospital	402 W. Lake Street, P.O. Box 40	Friendship	
St. Jos. Community Health Services	400 Water Avenue, P.O. Box 527	Hillsboro	
Grant Regional Health Center	507 S. Monroe	Lancaster	
Mile Bluff Medical Center	1050 Division Street	Mauston	
Memorial Health Center	135 S. Gibson Street	Medford	
The Monroe Clinic, Inc.	515 22nd Avenue	Monroe	
Memorial Medical Center	216 Sunset Place	Neillsville	
Southwest Health Center	250 Camp Street	Platteville	
Divine Savior Healthcare	1015 W. Pleasant St., P.O. Box 387	Portage	
Prairie du Chien Memorial Hospital	705 E. Taylor	Prairie du Chien	
Sauk Prairie Memorial Hospital	80 First Street	Prairie du Sac	
Reedsburg Area Medical Center	2000 N. Dewey Avenue	Reedsburg	
Richland Hospital	333 East Second Street	Richland Center	
Ripon Medical Center	933 Newbury Street	Ripon	
Shawano Medical Center	309 North Bartlette Street	Shawano	
Victory Medical Center	230 East Fourth Avenue	Stanley *	
Stoughton Hospital	900 Ridge Street	Stoughton *	
Door County Memorial Hospital	323 South 18th Avenue	Sturgeon Bay	
Tomah Memorial Hospital	321 Butts Avenue	Tomah	54660
Vernon Memorial Hospital	507 S. Main Street	Viroqua	54665

FCC Form

Health Care Providers Universal Service

465

Description of Services Requested & Certification Form

OMB Approval
3060-0804

To be completed by Health Care Provider

Estimated Average Burden Hours Per Response. 2.5 hours

Read all instructions thoroughly before completing form. Failure to comply may cause delayed or denied funding

Block 1: Form Identification Information	
1 Form 465 Application Number (assigned by RHCD) 4010	
2 Applicant Form Identifier	
Block 2: Funding Year Information	
3 Funding Year (Check only one box) Year 4 (7/1/2001 - 6/30/2002) Year 5 (7/1/2002 - 6/30/2003) Year 6 (7/1/2003 - 6/30/2004)	4 Did the health care provider (HCP) apply for Universal service funds for the RHC program in a previous funding year? Yes No
Block 3: HCP Location Information	
Information required in this block applies to the physical location of the HCP. Do not enter a "PO Box" or "Rural Route" address.	
5 HCP Name: Rural Wisconsin Health Cooperative	6 Consortium Name: Same
7 HCP Number: 12646	
8 Contact Name Larry Clifford	9 Contact Phone Number 608-643-2343 Ext.
10 Address Line 1 880 Independence Lane	
11 Address Line 2	
12 City: Sauk City	13 State: WI 14 Zip Code: 53578
15 E-Mail Address lclifford@rwhc.com	16 Fax Number 608-643-4936
17 County: WI-Sauk	18 Goldsmith Modification Aren (Assigned by RHCD)
Block 4: HCP Mailing Information	
19 Is the HCPs mailing address (i.e., where correspondence should be sent) different from its physical location as described in Block 3? Yes No, go to Block 5	
20 Send correspondence to: Rural Wisconsin Health Cooperative	
21 Contact Name Larry . Clifford	22 Contact Phone Number 608-643-2343 Ext.
23 Address Line 1 880 Independence Lane	
24 Address Line 2	
25 City: Sauk City	26 State: WI 27 Zip Code: 53578
28 E-Mail Address lclifford@rwhc.com	29 Fax Number 608-643-4936

Block 5: Eligibility									
<p>30 Is the HCP a not-for-profit or public entity?</p> <p>Yes, proceed to Item 31</p> <p>No, STOP. Only public or not-for-profit HCPs are eligible to participate in this program.</p>									
<p>31 Only the following types of HCPs are eligible. Indicate which category describes the applicant (check only one).</p> <p><input type="radio"/> Post-secondary educational institution offering health care instruction, teaching hospital or medical school</p> <p><input type="radio"/> Community health center or health center providing health care to migrants</p> <p><input type="radio"/> Local health department or agency</p> <p><input type="radio"/> Community mental health center</p> <p><input checked="" type="radio"/> Not-for-profit hospital</p> <p><input type="radio"/> Rural health clinic</p>									
<p>32 Is the HCP Applicant located in a rural area? Note that "rural area" means a non-metropolitan county as identified in the Office of Management and Budget's list of Metropolitan Statistical Areas or a non-urban area of those metropolitan counties identified in the Goldsmith Modification. Visit the RHCD web site (www.rhc.universalservice.org) or contact RHCD at 1-800-229-5476 for a listing of the rural areas.</p> <p>Y S</p> <p>No, only HCPs located in rural areas are eligible to receive telecommunications services at a reduced rate. However, HCPs located in rural and urban areas may qualify for Internet support according to the guidelines outlined in Block 4.</p>									
Block 6: Internet Access Support Eligibility									
<p>33 Is the HCP currently connected to the Internet?</p> <p>Yes No</p>									
<p>34 Does the HCP have to pay a toll or long distance charge to access an Internet service provider? (Note that this does not include any monthly fees assessed for using the Internet (e.g., \$19.⁹⁵ per month).</p> <p>Yes No, the HCP is not eligible for Internet access support.</p>									
Block 7: Request for Telecommunication Services and Contract Information									
<p>35 Is the HCP requesting reduced rates for a telecommunication service it is currently receiving?</p> <p>Yes</p> <p>No, go to Item 37.</p>									
<p>A sample of the eligible services is provided below:</p> <table border="0"> <tr> <td>• Dedicated (i.e., point to point) TI</td> <td>• Frame Relay</td> <td>• Satellite/Microwave service</td> </tr> <tr> <td>• Dedicated Fractional TI (e.g., 772Kbps)</td> <td>• Foreign Exchange</td> <td>• Centrex</td> </tr> <tr> <td>• ISDN (BRI and PRI)</td> <td>• Off-premise extension</td> <td>• Dedicated private line service</td> </tr> </table> <p>A request for service that is not based upon a contract signed before July 10, 1997 must be posted by RHCD on its website for 28 days before the HCP can receive the benefit of a discount for it.</p>	• Dedicated (i.e., point to point) TI	• Frame Relay	• Satellite/Microwave service	• Dedicated Fractional TI (e.g., 772Kbps)	• Foreign Exchange	• Centrex	• ISDN (BRI and PRI)	• Off-premise extension	• Dedicated private line service
• Dedicated (i.e., point to point) TI	• Frame Relay	• Satellite/Microwave service							
• Dedicated Fractional TI (e.g., 772Kbps)	• Foreign Exchange	• Centrex							
• ISDN (BRI and PRI)	• Off-premise extension	• Dedicated private line service							
<p>36 Is the service purchased pursuant to a service contract?</p> <p>Yes</p> <p>No</p>									
<p>37 HCPs must tell us how the health care provider is going to use the telecommunications service. Some examples are to transmit data and medical images such as X-rays; health care provider-to-provider consultation between professionals in a rural hospital and professionals in other locations; and provider-to-patient consultation, including examination and counseling. Please describe below.</p> <p>The Rural Wisconsin Health Cooperative is a consortium of 28, rural, not-for-profit hospitals. The service will be used for data transmission and videoconferencing between the RWHC offices and the member hospitals for the purposes of education, staffing, consultation and service management</p>									

> Block 8: Certification	
38 I certify that I am authorized to submit this request on behalf of the above-named entity or entities, that I have examined this request, and that to the best of my knowledge, information, and belief, all statements of fact contained herein are true.	
39 I certify that the health care provider has followed any applicable State or local procurement rules.	
40 I certify that the telecommunications services that the HCP receives at reduced rates as a result of the HCP's participation in this program, pursuant to 47 U.S.C. Sec. 254 as implemented by the Federal Communications Commission, will be used solely for purposes reasonably related to the provision of health care service or instruction that the HCP is legally authorized to provide under the law of the state in which the services are provided and will not be sold, resold, or transferred in consideration for money or any other thing of value.	
41 Pursuant to 47 C.F.R. Secs. 54.601 and 54.603, I certify that the HCP or consortium that I am representing satisfies all of the requirements herein and will abide by all of the relevant requirements with respect to funding provided under 47 U.S.C. Sec. 254.	
42 Signature	43 Date 10/23/01
44 Printed name of authorized person (First name, MI, Last name) LARRY P CLIFFORD	45 Title or position of authorized person Director of Product & Member Development

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communication Act, 47 U.S.C. Secs. 502, 503 (b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

NOTICE TO INDIVIDUALS: Section 54.615(c) of the Federal Communications Commission's rules requires all health care providers requesting direct benefits from this support mechanism to certify to their eligibility to receive them. 47 C.F.R. 554.61 (C). In addition, Section 54.603 of the Federal Communications Commission's rules requires eligible health care providers to participate in a competitive bidding process prior to receiving telecommunications services at reduced rates. 47 C.F.R. 554.603. The collection of information stems from the Commission's authority under Section 254 of the Communication's Act of 1934, as amended, 47 U.S.C. §254. The data in the report will be used to certify an applicant's eligibility to receive support pursuant to 47 C.F.R. §54.615(c) and to ensure compliance with the competitive bidding requirements of 47 C.F.R. §54.603. All health care providers requesting services eligible for universal service support must file this Description of Services Requested 8 Certification Form (FCC Form 465).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. §552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. 53501, *et seq.*

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management Branch, Washington, D.C. 20554.

An Independent Case For Rural Health Provider Consortia & Data Centers

From "Data Center Services " in The I-V, The Information Vehicle for Health Care Executives. EideBailly Consultants, Certified Public Accountants, Vol. 12, Issue 2 • The I-V • Map 2002

When you mention the term "data center" to most people, they tend to think of Hospital Information System (H.I.S.) vendors that provide remote access to their systems. While this is the traditional model, advances in technology continue to change the landscape of data centers. Today, a data center can manage everything from the H.I.S. system to e-mail and electronic calendars. The popularity of data centers has grown due to a number of factors, including staffing issues, increased complexity of Information Technology (I.T.), government regulations, and **I.T.** budget challenges.

Most hospitals that currently do not staff a full-time I.T. Department either continue to fall behind in technology or are trying to determine the best way to staff a new technology department.

Managing I.T. for health care continues to become an increasingly difficult job. Years ago, the information system was generally limited to the hospital business office. Those with a computer ran it for one application, such as billing or patient registration and most often users operated a display, or "dumb", terminal. **As** hospitals rolled out more applications, such as Microsoft Office, department-specific applications, e-mail, Internet, etc.. the technology landscape quickly became a beast that needed constant managing. Now, the average computer user in a hospital may regularly use a dozen applications, and the expense of their PC is dwarfed by the cost of maintaining it.

This evolution of technology in health care was one reason why the HIPAA security regulations were first proposed. **As** healthcare played catch-up with other industries, security lagged behind. Thus, hospitals face not only the challenge of providing state-of-the art technology to its users, but must also implement appropriate security measures to become HIPAA compliant.

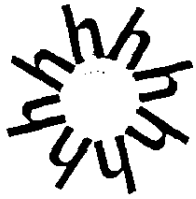
An alternative to managing the entire technology solution in-house is to outsource all or a part of it. Operating in a data center environment can enable multiple organizations to collectively achieve economies of scale, develop I.T. standards, and improve security.

For example, if five facilities running the same H.I.S. were to link to one server, a higher-end server could be purchased. This server could have redundant processors, multiple disk arrays, and automated backup tape libraries. Software updates, as **well** as hardware and operating system upgrades, could be better managed, generating a more predictable I.T. expense budget. The server could be located in a secure environment, operating in a climate-controlled room, with detailed access-control logs. Therefore, each of the five facilities could achieve a higher level of disaster-recovery preparedness and implement more sophisticated access-control methodologies operating as a group rather than as five individual islands. Considering, the items mentioned here are all elements of the HIPAA Security proposed regulations, it could easily be argued that a properly run data center could play a major role in bringing a hospital into compliance with HIPAA

Moving beyond the primary H.I.S., virtually every other application used by a hospital can be available to the user via a data center. For example, Microsoft Word could be hosted at the data center and the user would access the application via the network. The user could use "thin clients," or PCs without a hard drive. Therefore, documents containing patient identifiable information would not physically reside at a difficult-to-secure work station, which makes this option extremely appealing from a security standpoint. Again, updates to applications such as Word and anti-virus software would be conducted centrally, and applied to everyone on a timely basis.

Eide Bailly, along with its technology affiliate, Webb information Services, is positioned to bring **health care providers into a** data center environment. Our health care industry knowledge **and H.I.S. expertise** combined **with** strong technical skills create a winning solution. If you question **what the** future of technology holds for your organization, give us a call.

For more information on the Data Center services, contact Ron Luetmer in our Fargo office through e-mail at rluetmer@eidebailly.com or at 701.476.8337.



Rural Wisconsin
Health Cooperative

RWHC DATA NETWORK

A joint partnership between the
Rural Wisconsin Health Cooperative
and
Norlight Telecommunications

BASIC SERVICES PACKAGE

The following services are available to RWHC members that sign up for the RWHC data network today. In addition to the immediate benefits and savings inherent to these basic services, participants will already be connected to Norlight Telecommunications – the Midwest's most reliable fiber network, when the first phase of shared business/clinical applications are introduced by RWHC later this year.

T1 CONNECTMTY

A T1 from Norlight provides a reliable, dedicated, and high performance connection to RWHC Network Services. Rural hospitals are eligible for Universal Service Fund credits through the Rural Health Care Division of the USAC. Norlight and RWHC have the expertise *to* assist you with your application.

INTERNET ACCESS

High-speed connectivity to the Internet with firewall security and 24/7 technical support. Access can be extended to all your LAN and wide area network clinic users as well.

VIDEO STREAMING

As a subscriber, your staff will be able to access video broadcasts of RWHC meetings, roundtables, and educational events. The broadcasts can be viewed from your desktop using a standard PC and web browser (video playback capabilities to be provided by RWHC). Two-way conferencing will be available to hospitals that have compatible video equipment.

REGIONAL PROVIDER CONNECTMTY

Your connection will allow you to **transmit/receive data to/from regional service** providers (radiologists, referral labs, etc.) that connect to the RWHC Data Network. Both clinical and business applications **will** be supported in a HIPAA compliant environment.



NORLIGHT'S GUARDIANS OF DATA

CLINIC SUB-NETWORK INTEGRATION

The T1 and RWHC Data Network connection can be the foundation for a complete clinic wide area network, leveraging T1 access even more. Your hospital's wide area network can be based on frame relay or Norlight's new managed IP-VPN product.

DEDICATED LONG DISTANCE

With the proper PBX equipment, your T1 connection will give you the option of dedicated long distance phone service, which could save you an additional 1.5 cents per minute on the RWHC/Norlight rates.

WHAT IS INCLUDED IN THE BASIC SERVICE OFFER?

- T1 (1.5Mb) connection to the Norlight/RWHC network
- High speed Internet access: 128Kb - 1.5Mb per second rate.
- Frame Relay network port to access videoconferencing, mail server, and shared data center applications.
- Optional managed router with security firewall.
- Full participation in funding grants as they become available.
- Consultation, implementation and support services through RWHC.

All of our research indicates the network costs will not only be off-set by savings in other areas, but you will realize significant efficiencies at many levels of your hospital through better information access and communications. The result will be more effective healthcare delivery.

For information on how to get started contact Larry Clifford at 608-643-2343 or lclifford@rwhc.com or Larry Anderson at 608-288-2022 or landerson@norlight.com.



NOPLIGHT'S GUARDIANS OF DATA

October 21, 2002

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

**RE: Rescindment of Eligibility of Universal Service Support for
Funding Years 2001 and 2002 for HCP# 12646 Rural
Wisconsin Health Cooperative**

To Whom It May Concern:

The Wisconsin Hospital Association (WHA) strongly objects to a recent decision by the Rural Health Care Division of the Universal Service Administrative Company that rescinded authorization of the Rural Wisconsin Health Cooperative's eligibility for universal service support for funding years 2001 and 2002.

WHA has full knowledge of the Rural Wisconsin Health Cooperative (RWHC) and unequivocally believes that that organization is a consortia of health care providers consisting of community-based, non-for-profit hospitals consistent with current definitions. We share the belief that RWHC is an eligible "health care provider" for purposes of this act and consistent with congressional intent regarding the dispersion of telehealth services. The Wisconsin Hospital Association strongly believes that the consortia of rural providers ~~as~~ organized by RWHC is clearly the best (and perhaps only) way to bring the advantages ~~of~~ telemedicine and telehealth to rural America.

Sincerely,



Steve Brenton
President

Wisconsin Health &
Hospital Association, Inc.

P.O. Box 44992
Madison, WI
53744-4992

608/274-1820

FAX: 608/274-8554

<http://www.wha.org>





131 West Wilson Street, Suite 400, Madison, WI 53703 ■ 608.258.4400 ■ fax 608.258.4407 ■ www.wfcmac.coop

November 5, 2002

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, Maryland 20743

RE: **Docket Nos. 96-45 and 97-21**

**In the Matter of Request for Review by Rural Wisconsin Health Cooperative
of Decision of Universal Service Administrator: Rescindment of Eligibility of
Universal Service Support for Funding Years 2001 and 2002 for Rural
Wisconsin Health Care Cooperative, HCP# 12646**

Dear Secretary:

The Wisconsin Federation of Cooperatives and Minnesota Association of Cooperatives are a two-state cooperative trade alliance representing a broad cross-section of cooperatives, including rural health and telecommunications cooperatives. Combined, we represent just over 6.3 million cooperative members in the states of Wisconsin and Minnesota.

The Wisconsin Federation of Cooperatives is supporting the appeal of the Rural Wisconsin Health Cooperative (RWHC) in the above-docketed matter before the Federal Communications Commission. The Rural Health Care Division of the Universal Service Administrative Company (USAC) previously rescinded its authorization of the RWHC eligibility for Universal Service Support for funding years 2001 and 2002. RWHC appeals this decision because it is an eligible recipient of Universal Service Support as a health care provider under FCC 97-157, (rel. May 8, 1997) Section 653.

We understand RHCD staff told RWHC that it should appeal directly to the FCC as RHCD believes that RWHC's applications involve a policy issue that RHCD is not in a position to resolve.

As noted in RWHC's appeal letter, RHCD's September 19, 2002 rescinding letter states RWHC does not fall within an eligible category to benefit from Universal Service Support. RHCD lists what they accept as eligible provider types. The RHCD list includes the first six of seven categories authorized in FCC 97-157 (rel. May 8, 1997), Section 653. However, without explanation, RHCD omits the seventh category of "consortia of health care providers." RWHC is a consortia of health care providers.

Because RWHC is a consortia of health care providers consisting of not-for profit hospitals (category “(v)”), that is an eligible “health care provider” for purposes of 47 U.S.C. § 254(h)(5)(B) as reiterated in FCC 97-157 (rel. May 8, 1997), Section 653 and FCC 02-122 (rel. April 19, 2002). Section 6. See also, 47 CFR § 54.601(a).

Accordingly, the Wisconsin Federation of Cooperatives requests that the FCC rescind the September 19th letter and find that RWHC is eligible for Funding Years 2001 and 2002.

Finally, RWHC proposes a very important and effective use of Universal Service Funds because this funding may be used in rural areas to improve rural resident health care. The funding make possible the broadband connections that provide options for health care services that do not already exist. Without this funding, rural health care will continue to lag behind health care available to urban residents. One of the primary purposes of the Universal Service Fund was to provide telecommunications service and technologies to rural areas and we believe RWHC’s current and proposed use of the funds is appropriate and necessary.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, reading "William L. Oemichen". The signature is fluid and cursive, with the first name "William" and last name "Oemichen" clearly legible.

William L. Oemichen, President & CEO
Wisconsin Federation of Cooperatives
Minnesota Association of Cooperatives



NATIONAL RURAL HEALTH ASSOCIATION

November 1, 2002

Chairman Michael K. **Powell**
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Powell:

On behalf of the National Rural Health Association, I am writing to share our concern and dismay with the recent denial letter sent to the Rural Wisconsin Health Cooperative (RWHC), 880 Independence Lane, **Sauk** City, Wisconsin, regarding their application for reduced telecommunications rates through the Universal Service Funding (USF) program. The NRHA believe that the rationale for denial establishes a dangerous and unacceptable precedent for rural America.

In specific, the NRHA believes that for rural health care not only to exist, but also improve in quality, health care networks must be formed. Your stated denial threatens this policy direction for rural American, shared by not only the Administration but also by Members of Congress on both sides of the political isle.

RWHC is a consortia of twenty-eight not-for-profit, rural Wisconsin hospitals. RWHC, incorporated in Wisconsin as a cooperative, is wholly owned and operated by these hospitals. Based on the explicit verbal recommendation of the RHCD staff, RWHC applied as a "consortia" the seventh category of eligibility on the list of eligible organizations in the program guidelines:

"To qualify for universal service support, Health Care Providers (HCP) must meet the following criteria: The HCP must be a public or not-for-profit organization, located in a rural area that fits within one of the following categories:

1. Teaching hospitals, medical schools or post-secondary educational institutions offering health care instruction
2. Community health centers providing health care services to migrants
3. Local health departments or agencies
4. Community mental health centers
5. Not-for-profit hospitals
6. Rural health clinics
7. Consortia consisting of one or more of the above entities."

NATIONAL OFFICE

One West Armour Blvd. Suite 203
Kansas City, MO 64111
816/756-3140
816/756-3144 fax
E mail: mail@NRHArural.org

Stephen D. Wilhide MSW MPH
Executive Director

Internet: <http://www.NRHArural.org>

GOVERNMENT AFFAIRS OFFICE

1307 Duke Street
Alexandria, VA 22314 3509
703/519 7910
703/519 3865 fax
E mail: dc@NRHArural.org


RWHC meets the USF conditions and is an eligible HCP in the seventh category.

However, in the denial letter forward to RWHC, it states that they do not fit the established criteria. The NRHA urges the FCC to support consortia of rural health care providers as they struggle to access the promise of the Universal Service Fund. We are aware that the RWHC has submitted an appeal of this ruling, and we support their efforts as stated above.

The NRHA is a national nonprofit membership organization that provides leadership on rural health issues. The association's mission is to improve the health of rural Americans and to provide leadership **on** rural health issues through advocacy, communications, education and research. The **NRHA** membership **is** made up of a diverse collection of individuals and organizations, all of whom share the common bond of **an** interest in **rural** health.

If you have any additional questions regarding **NRHA's** position on this issue, please do not hesitate **to** contact Alan Morgan, Vice President of Government Affairs and Policy (703) 519-7910.

Sincerely,



Val Schott
President

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

November 10, 2002

Docket nos. 96-45 and 97-21

Re: In the Matter of: Request for Review by Rural Wisconsin Health Cooperative of Decision of Universal Service Administrator: Rescindment Of Eligibility of Universal Service Support For Funding Years 2001 and 2002 for Rural Wisconsin Health Cooperative, HCP# 12646.

Dear Secretary Dortch:

Please accept this letter in support of the appeal by the Rural Wisconsin Health Cooperative (RWHC) to the Federal Communications Commission (FCC) of the decision by the Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) to rescind its prior authorization of RWHC's eligibility for Universal Service Support for Funding Years 2001 and 2002.

The September 19, 2002 letter from USAC denies RWHC's eligibility for Universal Service Support because it is not, itself, a not-for-profit hospital — just one of the seven categories of health care providers eligible for support authorized in FCC 97-157, Section 653. Yet RWHC, as a cooperative, never contended it was a not-for-profit hospital, but rather applied for universal service support as a "consortia of eligible health care providers" — the seventh category of eligible health care providers identified by FCC and Congress to receive universal service support.

In its rejection of RWHC for Universal Service Support, USAC fails to even mention this seventh eligibility category into which RWHC clearly falls. RWHC's membership is made up exclusively of not-for-profit hospitals — one of seven eligible entities — which together own, govern and manage the cooperative. As a cooperative, RWHC is, by definition, a "consortium."

The National Cooperative Business Association is a national membership association for all types of cooperatives, including those that provide services to their not-for-profit hospital members. Cooperatives are merely a type of consortium made up of members (either individuals, non-profit or for-profit businesses and, in some cases, municipal or state governments) with common interests and functions. Cooperatives form to provide their individual members with access and resources they wouldn't have on their own. In RWHC's case, the cooperative provides T1 connectivity, Internet access (including security and 24/7 support), video streaming, regional provider connectivity, clinic sub-network integration, dedicated long distance, and other services to rural not-for-profit hospitals. These are services that their individual not-for-profit hospital members could not access individually at affordable rates.

Cooperatives differ from informal, loosely formed consortia only in that they are often incorporated as cooperatives under state or federal law (RWHC is incorporated under Wisconsin state law) and provide a

Representing America's Cooperative Community

formal governance structure that allows consortia members to control and manage the group using democratic principles.

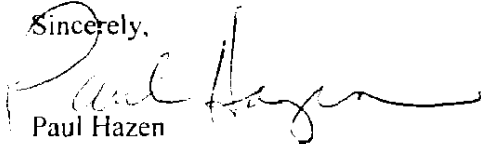
In the health care arena, in which costs of care and technology are ever-rising for consumers and non-profit health care providers, cooperatives play an increasingly critical role in providing essential support services, group buying power, and educational services that support access to health care. As such, it is critical that FCC continue to make Universal Service Support available to cooperatives, like RWHC, that are owned by health care providers eligible for the program and who seek to provide eligible telecommunications services to their members.

We urge FCC to overturn USAC's decision to arbitrarily eliminate "consortia," including cooperatives made up of eligible health care providers, as entities eligible for Universal Service Support. Failing to provide cooperatives and other consortia access to USS will hamper the ability of the Fund to cost-effectively meet the needs of rural health care providers and simultaneously subvert the intent of Congress to make these funds available to consortia who consolidate the telecommunications buying power of non-profit hospitals and other rural health care providers.

Cooperatives play a critical role in ensuring the affordability and availability of health care in rural America. We urge FCC to provide RWHC with access to USS so it can enhance the connectivity and telecommunications services to its non-profit hospital members. Doing so will allow RWHC's not-for-profit members to continue doing what they do best — provide affordable, quality health care services to rural residents.

We thank you in advance for your kind consideration,

Sincerely,



Paul Hazen
President and CEO.